| In the matter of: |) Docket No. I/SE 98/99 - 011) |
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| Tourtelot Project Site Benicia California |) ENFORCEABLE AGREEMENT) |
| A Hazardous Waste Site | Health and Safety Code Section 25355.5(a) (1) (C) |

OPERATION AND MAINTENANCE

AGREEMENT

Tourtelot Project Site

Benicia, CALIFORNIA

This Agreement is made and entered into as of the Effective Date (as defined in Paragraph 30.0), by and between the State Department of Toxic Substances Control ("Department"), Pacific Bay Homes, LLC (PBH), Granite Management Corporation, FN Projects, Inc. and City of Benicia (City). Pacific Bay Homes, LLC, Granite Management Corporation, FN Projects, Inc., and City of Benicia collectively will be referred to as the "Respondents".

WHEREAS:

Pacific Bay Homes, LLC, Granite Management Corporation and FN Projects, Inc, .are named as Responsible Parties in Imminent and/or Substantial Endangerment Determination and Remedial Action order Docket No. I/SE 98/99-011 (Order). Although not named in the Order, DTSC considers the City of Benicia to also be a Responsible Party.

Certain activities remain to be performed on the Tourtelot Project Site as part of the requirements of the Remedial Action Plan ("RAP"). The O&M activities are described in detail in the Operations and Maintenance Plan dated June, 2004 ("OMP") (Exhibit 1). These activities include wetlands mitigation monitoring; slope stability and erosion monitoring; water monitoring, monitoring of the integrity of the Land Bridge Mesh Barrier and monitoring of signage and plant viability installed to discourage public intrusions into the wetlands area of the Project Site. The O&M activities also include monitoring for compliance with the requirements of the institutional controls, including the Covenant to Restrict Use of Property dated June 22, 2004 (Covenant) (Exhibit 2), and the Contingency Action Plan dated June, 2004 (Exhibit 3). The O&M activities also include a program to place notices through an underground service alert system to notify City of Benicia personnel of concerns for excavation activities.

A matrix showing the tasks required to implement or monitor O & M activities specified in the OMP, Covenant or Contingency Action Plan ("O&M Tasks"), the Respondent that has agreed to perform each O&M Task on behalf of all the Respondents ("Responsible Entity") and schedules for performance and reporting of results to the Department (Implementation Matrix) is attached as Appendix A to the OMP. The OMP, Implementation Matrix, Covenant and Contingency Action Plan are incorporated by reference into this Agreement.

The RAP requires that the Covenant be recorded to impose certain land use restrictions on certain open space parcels that are located within the boundaries of the Project Site

and give notice of the safety requirements that must be observed with regard to any excavation activities in some areas of the open space parcels or any activities that penetrate beneath the asphalt or concrete surface of two specified sections of McAllister Drive. Such open space parcels and the specified sections of McAllister Drive are more fully described in the Covenant (Exhibit 2), and are referred to in the Covenant and in this Agreement as the "Restricted Areas". Two areas within the Restricted Areas are subject to the land use restrictions imposed by the Covenant, but are not subject to the special requirements applicable to excavation on the remainder of the Restricted Areas. Unless otherwise expressly provided herein, any references in this Agreement to Restricted Areas include such two areas, but the two areas are also sometimes referred to herein as "Use Restricted Areas".

Some of the Restricted Areas on the Tourtelot Project Site are currently owned by PBH and the remaining Restricted Areas are currently owned by the City of Benicia. The City's City Council has adopted Resolution # 04-74, which provides that the City will accept the dedication of ownership of the Restricted Areas currently owned by PBH, and such transfer of ownership is anticipated to occur following the execution of this Agreement. As consideration for the City's acceptance, PBH will provide insurance and indemnification to protect the City if the Department requires additional remediation of the Restricted Areas.

Nothing contained in this Agreement is intended to limit or shall be interpreted as limiting any remaining obligations of Pacific Bay Homes, LLC, Granite Management Corporation or FN Projects, Inc. under the Order or the ability of the Department to require such

parties to undertake additional remedial action on the Restricted Areas. The Department may impose additional requirements to the fullest extent allowable pursuant to the Order and/or pursuant to applicable laws and regulations.

The Tourtelot Project Site is located in the City of Benicia, County of Solano, State of California. A site map showing the location of the Project Site within the City of Benicia and the general location(s) of wetlands mitigation areas, Restricted Areas, Use Restricted Areas, groundwater wells and land bridge mesh barrier within the Project Site, is attached as Exhibit 4. A legal description of the Project Site is attached as Exhibit 5. Exhibit 5 also includes the Assessor Parcel Numbers (APNs) for each legal parcel within the Project Site. The list of APNs identifies the parcels that are considered Restricted Areas. The list also identifies as "Unrestricted Areas" the parcels in the residential areas of the Project Site that have been remediated to levels permitting unrestricted use.

AGREEMENT

The parties hereto, based upon the foregoing and in exchange for the mutual performances and forbearances described below, agree as follows:

- 1. Respondents' Implementation of Operation and Maintenance Plan
- Implementation of O&M Tasks: Respondents shall implement the O&M Tasks, pursuant to the Implementation Matrix. Each Respondent identified in the Implementation Matrix as a "Responsible Entity" has agreed to perform its assigned tasks on behalf of all the Respondents. The O&M Tasks shall be performed until and

unless the Department authorizes the Respondents in writing to modify or discontinue some or all of the O&M Tasks. Authorized modification to an O&M Task shall be based on the Department's determination that performance of the O&M Task, as modified, would adequately maintain the cleanup goals of the Tourtelot remediation project and adequately protect human health and safety and the environment. Discontinuance of an O&M Task shall be based on the Department's determination that continued performance of the O&M Task proposed to be discontinued is no longer required to maintain the cleanup goals of the Tourtelot remediation project or to reduce residual risks to human health and safety or the environment.

- Modification of O&M Tasks. A Respondent shall give the Department at least sixty (60) days advance written notice prior to the intended date of any proposed modifications or discontinuation of one or more O&M Tasks. The written notice shall be sent by certified mail to the Department at the address set out in Paragraph 8.0 of this Agreement and to the Project Coordinators for the other Respondents. The written notice to the Department shall include a detailed description of the proposed modification or discontinuance of O&M Tasks; the reasons for modification or discontinuation of O&M Tasks, and the basis on which the Respondent believes that the Department can reasonably make the determinations required under Paragraph 1.1.
- Annual Summary Reports: By the dates in 2005 shown in the Implementation Matrix for the annual reports relating to each of the O&M Tasks, and on an annual basis thereafter, each Respondent shall submit to the Department an annual written report as

required by the OMP and Implementation Matrix, to report its performance of O&M Tasks under the provisions of this Agreement. The report shall describe:

- Specific actions taken by or on behalf of the Respondent during the previous year to perform its O&M Tasks;
- b) The results of such actions, including (when and if applicable) all results of sample analyses, tests, and other data generated in performing the task, and any significant findings from these data:
- c) Any requirements relating to the O&M Tasks that were not completed, together with an explanation of why the requirements could not be completed; and
- d) Any problems or anticipated problems in completing O&M Tasks under this Agreement in the following year.

The City's annual report shall be prepared using the Tourtelot Project Annual Inspection and Report Form included as Appendix D to the OMP.

Five-Year Review: Respondents shall review and reevaluate the remedial action after a period of five (5) years from the Effective Date of this Agreement and every 5 years thereafter. The review and reevaluation shall be conducted pursuant to Section 121 (c) of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 U.S.C. 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act (SARA) of 1986, Pub. L. 99-499. The City's five year report shall be prepared using the Five-Year Report Template as outlined in United States Environmental Protection Agency's (USEPA's) comprehensive Five-Year Review Guidance document (EPA 540-R-01-007, June 2001). A Tourtelot Project Site specific

template following EPA's model has been prepared and included as Appendix E to the OMP.

PBH is responsible for water monitoring requirements under the OMP. The OMP contemplates that such water monitoring is required for a period of at least two years. At the end of such two-year period, PBH will submit a report describing the results of all sample analyses, tests and other data generated or received by PBH and evaluate the adequacy of the water monitoring that has been conducted to confirm that the implemented remedy adequately protects public health, safety and the environment. After receiving such report, the Department will evaluate whether the water monitoring requirements may be terminated or modified.

PBH's five-year report relating to monitoring of the wetlands mitigation areas shall be in the form PBH is required to submit to the U.S. Army Corps of Engineers (USACE) to satisfy the requirements of Nationwide Permit 38 under Section 404 of the Clean Water Act which was issued by USACE to authorize the filling of certain wetlands areas as part of the Tourtelot Project's remediation activities ("NWP 38 Report"). Unless USACE requires additional activities be conducted in the wetlands mitigation after the NWP 38 Report is submitted to USACE, PBH's annual and five-year reporting on monitoring of wetlands areas will terminate when the NWP 38 Report has been filed.

1.5 <u>Emergency Response Action/Notification:</u> In the event of any human exposure to hazardous substances or any action or occurrence (such as a fire, earthquake, explosion, unauthorized excavation or other event) that causes the release or immediate

threat of release of a hazardous substance in or from a Restricted Area during the course of this Agreement, the Respondent that owns the affected Restricted Area shall immediately take all appropriate action to prevent, abate, or minimize such emergency, release, or immediate threat of release and shall immediately notify the Department. (See Paragraph 8.0 for address and telephone contact information for the Department.) Such Respondent shall take such action in consultation with the Department's Project Manager and in accordance with all applicable provisions of this Agreement. Within seven days of the onset of such an event, the Respondent shall furnish a report to the Department, signed by Respondent's Project Coordinator (as identified in Paragraph 4.0 of this Agreement), setting forth the events which occurred and the measures taken in the response thereto. In the event that the Respondent that owns the affected Restricted Area fails to take appropriate response and the Department takes the action instead, the Respondent shall be liable to the Department for all costs of the response Nothing in this section shall be deemed to limit any other notification action. requirement to which the Respondents may be subject.

- 2.0 <u>Obligations of the Department:</u> The Department agrees to review and oversee the measures to be performed by Respondents pursuant to this Agreement.
- Public Participation: The Respondents shall work cooperatively with the Department to ensure that the affected and/or interested public and community are involved in the Department's decision-making process. Any such public participation activities shall be conducted in accordance with the approved Public Participation Plan for the site, and the Department's Public Participation Policy and Guidance Manual, and

with the Department's review and approval. Respondents shall develop and submit site-specific fact sheets for public dissemination to the Department when specifically requested. The type of activities that may require such a publicly distributed fact sheet would include, by way of example, the location of an OE-Energetic item (as defined in the OMP) in a Restricted Area that requires a public withdrawal while the OE Energetic item is being destroyed or removed or an OE clearance action in the Wetlands Risk Reduction Area (as defined in the Contingency Action Plan). The Respondents will distribute the fact sheet using an approved community mailing list approved by the Department. In addition, Respondents will be responsible for submittal of the fact sheet and any related reports or other documents to the information repository listed in the approved Public Participation Plan for the site. The Department may require public notices and meetings based on community needs/requests and site activities.

- 4.0 <u>Project Coordinator:</u> The responsibilities of the Respondents' Project Coordinators will be to receive and submit all notices, comments, approvals, and other communications from and to the Department. The initial Project Coordinator for Pacific Bay Homes, LLC, Granite Management Corporation and FN Projects, Inc., is Mr. Scott Goldie of PBH. The initial Project Coordinator for the City of Benicia is Ms. Heather McLaughlin. Each Respondent shall promptly notify the Department in writing of any change in the identity of its Project Coordinator.
- 5.0 <u>Project Engineer:</u> If it is necessary to conduct ordnance and explosives ("OE") clearance activities in the Wetlands Risk Reduction Area (as defined and described in the Contingency Action Plan), such clearance work shall be performed under the

direction and supervision of a qualified professional engineer in the State of California with expertise in geotechnical engineering. Before commencing any such OE clearance activities in the Wetlands Risk Reduction Area, a Respondent must submit: a) The name and address of the project geotechnical engineer chosen by the Respondent to oversee the work (the "Clearance Project Engineer"); and b) in order to demonstrate expertise in geotechnical engineering, the resume of the proposed Clearance Project Engineer and the statement of qualifications of the consulting firm responsible for the work. The Clearance Project Engineer shall sign the work plan required by the Contingency Action Plan for any OE clearance activities in the Wetlands Risk Reduction Area. Respondents shall promptly notify the Department of any change in the identity of the Clearance Project Engineer.

ordnance and Explosives Technician: A qualified OE contractor shall be employed whenever the Respondents propose to conduct Excavation Activities in OE Construction Support Areas, as defined in the Contingency Action Plan. The OE contractor shall be responsible for arranging to have at least one appropriately trained UXO technician (Tech 3 or higher) present when Excavation Activities are being conducted in OE Construction Support Areas for the purpose of evaluating OE/UXO concerns. The OE contractor shall assist in developing OE related work plans, conduct OE investigations and site assessments, and oversee activities related to construction support.

- Quality Control/Quality Assurance (QC/QA): All water sampling and analysis conducted by Respondents under this Agreement shall be performed in accordance with applicable QC/QA procedures, as set forth in the OMP.
- 8.0 <u>Submittals</u>: All submittals and notifications from Respondents to the Department that are required by this Agreement shall be directed to the following, or to such other recipient(s) as the Department may hereafter specify in a written notice to Respondents:

Anthony T. Landis, P.E., Chief
Attn: Rizgar Ghazi (2 copies)
Northern California Operations
Office of Military Facilities
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826
Telephone Number (916) 255-3545

- 9.0 <u>Communications:</u> All approvals and decisions of the Department made regarding submittals and notifications will be communicated to Respondents in writing by the Office of Military Operations Branch Chief, Department of Toxic Substances Control, or his/her designee. Confirmation of a designation shall be provided in writing by the Department in order to validate any approvals or decisions made by a Branch Chief's designee. No informal advice, guidance, suggestions or comments by the Department regarding reports, plans, specifications, schedules or any other writings by Respondents shall be construed to relieve Respondents of the obligations to obtain such formal approvals as may be required.
- 10.0 <u>Department Review and Approval:</u> (a) If the Department determines that any report, plan, schedule or other document submitted to the Department for approval

pursuant to this Agreement fails to comply with this Agreement or fails to protect public health or safety or the environment, the Department may: (1) modify the document as deemed necessary and approve the document as modified; or (2) return comments to Respondents with recommended changes and a date by which Respondents must submit to the Department a revised document incorporating the recommended changes.

(b) Any modifications, comments or other directive issued pursuant to (a) above, are incorporated into this Agreement. Any noncompliance with these modifications or directives shall be deemed a failure or refusal to comply with this Agreement.

- 11.0 <u>Stop Work Order:</u> In the event that the Department determines that any activity (whether or not pursued in compliance with this Agreement) may pose an imminent or substantial endangerment to the health or safety of people on the Site or in the surrounding area or to the environment, the Department may order Respondents to stop further implementation of this Agreement for such period of time needed to abate the endangerment. In the event that the Department determines that any activities (whether or not pursued in compliance with this Agreement) are proceeding without Department authorization, the Department may order Respondents to stop further implementation of this Agreement or activities for such period of time needed to obtain Department authorization, if such authorization is appropriate. Any deadline in this Agreement directly affected by a Stop Work Order, under this section, shall be extended for the term of the Stop Work Order.
- 12.0 <u>Modifications to Protect Public Health, Safety or the Environment</u>. The Department may require modification, replacement, or additions to remediation facilities

if those facilities are not achieving remediation objectives or protecting public health, safety or the environment, including those identified in the Remedial Action Plan or Remedial Design Documents for the Tourtelot Project. The Department may require additional evaluations, designs and the construction and operation of facilities to achieve these objectives.

- 13.0 <u>Compliance With Applicable Laws:</u> The Respondents shall carry out this Agreement in compliance with all applicable local, state, and federal requirements, including, but not limited to, requirements to obtain permits and to assure worker safety.
- 14.0 Respondents' Liabilities: Nothing in this Agreement shall constitute or be construed as a satisfaction or release from liability for any conditions or claims arising as a result of past, current or future operations of Respondents. Nothing in this Agreement is intended or shall be construed to limit the rights of any of the parties with respect to claims arising out of or relating to the deposit or disposal at any other location of substances removed from the Site. Nothing in this Agreement is intended or shall be construed to limit or preclude the Department from taking any action authorized by law to protect public health or safety or the environment and recovering the cost thereof. Notwithstanding compliance with the terms of this Agreement, Respondents may be required to take further actions as are necessary to protect public health and safety or the environment.
- 15.0 <u>Access to Restricted Areas:</u> Each Respondent with legal ownership of Restricted Areas shall allow access on such Restricted Areas at all reasonable times to

employees, contractors and consultants of the Department. Such Respondents shall also obtain rights of such access for such employees, contractors and consultants to laboratories used for analyses of samples under this Agreement. Nothing in this paragraph is intended or shall be construed to limit in any way the right of entry or inspection that the Department or any other agency may otherwise have by operation of any law. The Department and its authorized representatives shall have the authority to enter and move freely on the Restricted Areas at all reasonable times for purposes including, but not limited to: inspecting records, operating logs, sampling and analytical data, and contracts relating to the Site; reviewing the progress of Respondents in carrying out the terms of this Agreement; conducting such tests as the Department may deem necessary; and verifying the data to the Department by Respondents. Respondents shall ensure that no conveyance of title, easement or other interest in any Restricted Area shall be executed or consummated without incorporating the continued right of entry by the Department. The City acknowledges and agrees that following the City's acceptance of the dedication of Restricted Areas currently owned by PBH, the City shall continue to allow the Department rights of entry for such Restricted Areas as set forth in this Agreement.

16.0 Access for Respondents: Each Respondent with legal title to any Restricted Area shall grant access to such Restricted Area to other Respondents who are in compliance with this Agreement for the purpose of conducting activities pursuant to this Agreement or for activities deemed necessary by the Department to meet the objectives of this Agreement. The City acknowledges and agrees that following the City's acceptance of the dedication of Restricted Areas currently owned by PBH, the City shall continue to

allow the other Respondents rights of entry for such Restricted Areas as set forth in this Agreement.

- Department and its authorized representatives to inspect and copy all sampling, testing, monitoring or other data generated by Respondents or on Respondents' behalf in any way pertaining to work undertaken pursuant to this Agreement. Respondents shall submit all such data upon the request of the Department. Respondents shall inform the Department at least seven (7) days in advance of all field sampling or field activities under this Agreement, and shall allow the Department and its authorized representatives to take duplicates of any samples collected by Respondents pursuant to this Agreement. Respondents shall maintain a central repository of the data, reports, and other documents prepared pursuant to this Agreement.
- 18.0 Record Retention: All such data, reports and other documents shall be preserved by Respondents for a minimum of ten (10) years after the date on which a written report or other documents providing that data has been submitted to the Department. A Respondent shall notify the Department in writing at least six (6) months prior to destroying any documents prepared pursuant to this Agreement. If the Department requests that some or all of the documents that a Respondent proposes in such a notice to destroy be preserved for a longer period of time, Respondents shall either comply with that request or deliver the documents to the Department, or permit the Department to copy the documents prior to destruction.

- 19.0 Government Liabilities: The State of California shall not be liable for any injuries or damages to persons or property resulting from acts or omissions by Respondents, or related parties specified in Paragraph 29.0 of this Agreement entitled "Parties Bound", in carrying out activities pursuant to this Agreement, nor shall the State of California be held as a party to any contract entered into by Respondents or its agents in carrying out activities pursuant to this Agreement.
- 20.0 <u>Additional Actions</u>. By entering into this Agreement, the Department does not waive the right to take any further actions authorized by law.
- 21.0 Extension Requests: If Respondents are unable to perform any activity or submit any document within the time required under this Agreement, Respondents may, prior to expiration of the time, request an extension of the time in writing. The extension request shall include a justification for the delay. All such requests shall be in advance of the date on which the activity or document is due.
- 22.0 <u>Extension Approvals:</u> If the Department determines that good cause exists for an extension, it will grant the request and specify a new schedule in writing. Respondents shall comply with the new schedule, which is incorporated in this Agreement.
- 23.0 <u>Financial Assurance</u>: Respondents must assure that sufficient monies are available to: implement the Covenant, Contingency Action Plan and the OMP and conduct the Five-Year Review as outlined in paragraph 1.5. Acceptable assurance mechanisms are set forth in Health and Safety Code section 25355.2. The Department

acknowledges and agrees that, as of the Effective Date, PBH, Granite Management Corporation and FN Projects, Inc. have complied with the financial assurance requirements in this Paragraph 23.0 by PBH's submittal to the Department of a Secured Savings Account Agreement between PBH and Solano Bank, pursuant to which PBH has deposited with Solano Bank the amount of \$150,000. Such Agreement allows disbursements from the account only with written approval of the Department. As PBH completes tasks required under the OMP and this Agreement, PBH will submit to the Department copies of the invoices from its contractors and consultants for the costs of such required tasks. Based on its review of such invoices and verification that the invoices are for performance of required tasks under the OMP or this Agreement, the Department shall determine whether it is appropriate to authorize the release of PBH funds on deposit with Solano Bank for payment of the invoices and, if it determines that such a release of funds is appropriate, the Department shall provide appropriate written authorization to Solano Bank. Pursuant to Health and Safety Code section 25355.2, subdivision (c)(4), the Department waives financial assurance requirements for the City.

24.0 <u>Cost Recovery of Department's Future Costs</u>. Respondents are liable for all of the Department's costs incurred in responding to the contamination at the Site (including costs of overseeing response work performed by Respondents) and costs to be incurred in the future (including costs of overseeing Respondents implementation of the Covenant, Contingency Action Plan and the OMP). Cost recovery may also be pursued by the Department under CERCLA, Health and Safety Code Section 25360, or any other applicable state or federal statute or common law. The agreed upon liquidated amount of DTSC's oversight costs with regard to implementation and oversight of the

Covenant, Contingency Action Plan and OMP is attached as Exhibit 6. DTSC acknowledges that Pacific Bay Homes, LLC has pre-paid the costs identified in Exhibit 6 regarding implementation and oversight of the Covenant, Contingency Action Plan and OMP to DTSC and, therefore, Respondents are not liable for any additional payments for such implementation or oversight costs.

- 25.0 <u>Severability:</u> The requirements of this Agreement are severable, and Respondents shall comply with each and every provision hereof notwithstanding the effectiveness of any other provision.
- Incorporation of Plans, Schedules and Reports: All plans, schedules, reports, specifications and other documents that are submitted by Respondents pursuant to this Agreement are incorporated in this Agreement upon the Department's approval or as modified pursuant to Paragraph 10.0, Department Review and Approval, and shall be implemented by Respondents. Any noncompliance with the documents incorporated in this Agreement shall be deemed a failure or refusal to comply with this Agreement.
- 27.0 <u>Modification and Termination:</u> Respondents may, upon written request, seek modification or termination of this Agreement at any time. In addition to modification as provided elsewhere in this Agreement, this Agreement may be modified or terminated by mutual written agreement of the parties at any time.

- 28.0 <u>Time Periods:</u> Unless otherwise specified, time periods begin from the effective date of this Agreement and "days" means calendar days. The Effective Date of this Agreement is the date the Agreement is signed by the Department.
- 29.0 <u>Parties Bound:</u> This Agreement applies to and is binding upon each Respondent and its officers, directors, agents, employees, contractors, consultants, receivers, trustees, successors and assignees, including but not limited to individuals, partners, and subsidiary and parent corporations, and upon any successor agency of the State of California that may have responsibility for and jurisdiction over the subject matter of this Agreement.
- 30.0 <u>Effective Date:</u> The effective date of this Agreement is the date of signature by the Department's authorized representative.
- 31. Representative Authority. Each undersigned representative of the parties to this Agreement certifies that she or he is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind the parties to this Agreement.
- 32. <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties authorize each other to detach and combine

original signature pages and consolidate them into a single identical original. Any one of such completely executed counterparts shall be sufficient proof of this Agreement. Signed on the 22⁻² day of June, 2004.

Frederick S. Moss

Division Chief

Office of Military Facilities

Department of Toxic Substances Control

I acknowledge receipt of the foregoing Operations and Maintenance Agreement for the Tourtelot Project Site dated June 22, 2004, and consent to its terms and conditions.

PACIFIC BAY HOMES, LLC, a Delaware limited liability company

William W. McNair, Sr.,

President

I acknowledge receipt of the foregoing Operations and Maintenance Agreement for the Tourtelot Project Site dated June 22, 2004, and consent to its terms and conditions.

FN Projects, Inc. a California Corporation

Vice President

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Granite Management Corporation a Delaware Corporation

William W. McNair, Sr

Vice President

I acknowledge receipt of the foregoing Operations and Maintenance Agreement for the Tourtelot Project Site dated June 22, 2004, and consent to its terms and conditions.

City of Benicia

By: <u>(//////</u> James R. Erickson, City Manager

Approved as to Form:

Heather McLaughlin, City Attorney